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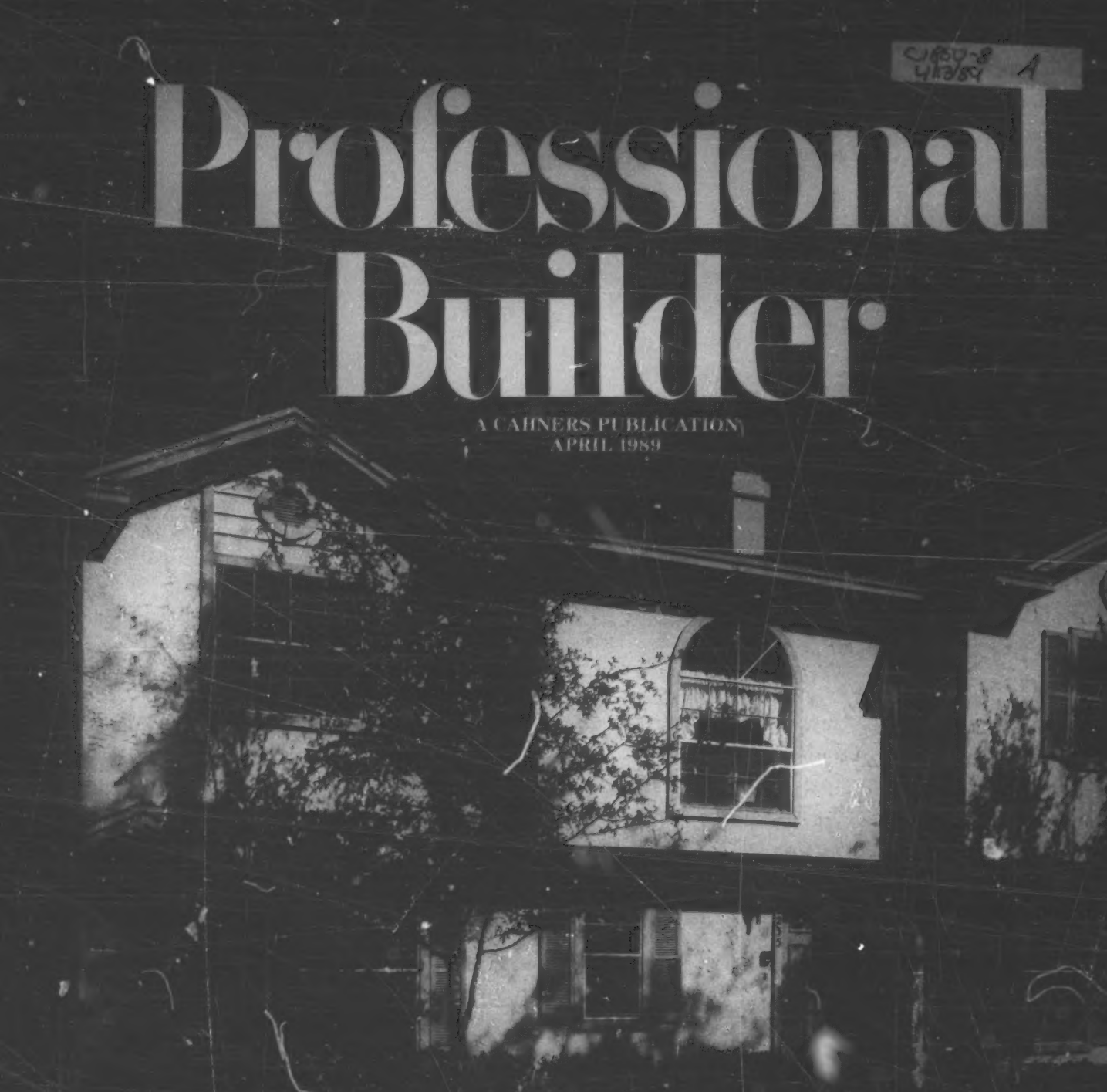
Professional Builder

A CAHNERS PUBLICATION
APRIL 1989



Housing For Singles

How To Meet Their Special Needs
Plus, Exclusive Survey Data

Training, Motivating The Sales Staff

Rehabbing An Ohio Brewery District

Checklist For Model Home Opening

Negotiating With Subs & Suppliers

Professional Builder

APRIL • 1989 VOL. 54

THE MAGAZINE OF HOUSING AND LIGHT CONSTRUCTION/A CAHNERS PUBLICATION

Three out of four buyers of the Fox Ridge condos in New York, above, were singles. Here's how to tap a growing market. Page 108.

Rich materials, such as this granite buffet, make a home look luxurious. A collection of luxury details begins on page 128.

Renovated brewery district in downtown Columbus, Ohio, includes rental housing, restaurants and commercial buildings. Page 149.

FEATURES

Beyond The Swinging Singles 108

Remember building apartments back in the 1960s for the swinging singles? Today, these renters have grown up, married and divorced. They are single again and they want to be homeowners. Other social factors—such as delaying marriage—are creating a bubble of young, affluent singles who desire home ownership.

What Do Singles Want In Housing? Exclusive Survey Results 120

Builders have to fine-tune their housing product if they expect to sell to singles. This special *Professional Builder* survey shows what singles want, what they need, what they can afford and how they differ from other home buyers.

Luxury Details 128

Why do your houses sell but down the street, the competition's languishes. Could be it's the details. Senior Editor Dan McLeister assembled a collection of details from luxury and production housing. These extra touches provide a mark of distinction.

Mid-Career Seminar: New-Home Sales Training 136

If your homes aren't selling, don't automatically blame your sales staff. Maybe you never taught them to sell. This special report outlines three critical steps in the process: selling prospects, selling product and closing the deal. Editors Bill Lurz and Eric Benderoff interviewed top sales people and trainers. Their advice is worth reading now—and again in six months. Sales training is a continual task—not a one-time shot.

Remodeling Project Of The Month 149

Twenty-five acres of downtown Columbus, Ohio, were ripe for renovation. Edwards Industries Inc. turned the site into an entertainment district complete with housing, restaurants, theaters and retail.

On The Cover

L.J. Hooker Homes hooked singles at its Fox Chase townhome community near Tampa Bay, Fla. Units range in size from 886 to 1297 square feet and sell from $49,000 to $60,000. Photo by Harvey Smith.

Professional Builder

THE MAGAZINE OF HOUSING AND LIGHT CONSTRUCTION/A CAHNERS PUBLICATION

East meets West in search of the best. Page 52.

Competition for skilled labor is fierce. Builders' relationships with subcontractors will decide their fate in the coming years. Page 24. **Opening a model home** is a big undertaking. Here's a checklist to keep builders organized. Page 51. **An English country design** is a fresh look for Orlando, Fla. Page 60. **Formaldehyde** still ranks high on the list of indoor air pollutants. Page 73. **Tilt-up construction** is a flexible, convenient method of construction. Page 85. **Custom-home builder Jim Locke** has written a primer for consumers—and builders. A review, page 86.

Exterior products, including paving, siding, roofing. Page 166.

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SURVEYING Singles

Photo: The Stock Market

As demonstrated on the previous pages, singles are, indeed, buying homes.

But builders have found they must fine-tune their housing products if they are to target the singles market successfully.

In the following eight-page report, *Professional Builder* presents exclusive survey data that shows what singles want, what they need, what they can afford and how they differ from other homebuyers—and indeed, how they differ even among themselves.

As part of its annual consumer survey (December 1988), PB tabulated separately the responses of 318 participants who are single. These people said they intended to purchase a home in the next six months.

Responses by singles were further defined by four lifestages: single parents with children younger than 18 years old; single parents younger than 50 but without children under age 18; single parents older than 50 without children under 18; and single, unrelated adults. These categories appear in many of the charts accompanying this report.

Selected responses are displayed on these and following pages. The answers reveal singles' special needs and differences in five areas: motivation, marketing, financing, housing design and products.

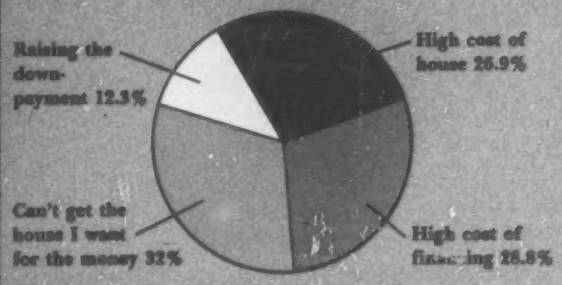
The complete PB consumer survey that includes statistical breakouts on single buyers is available for $320.

Send check or money order to *Professional Builder*, P.O. Box 5080, Des Plaines, Ill., 60017-5080. □

Availability, High Costs Are The 2 Greatest Obstacles In Buying A Home

In contemplating a home purchase, many single buyers are turned off by what housing is available for the money. Downpayment isn't as much of a concern as monthly costs.

Greatest single obstacle in purchasing a home



How Much Can Singles Afford In Downpayment, Price And Monthly Payment?

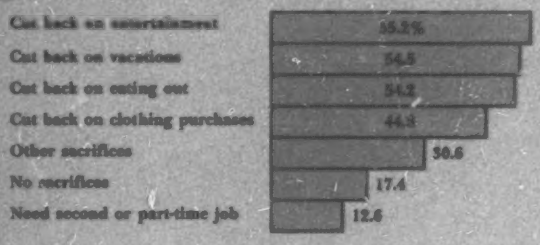
By and large, not as much as non-single buyers. On average non-singles could afford a $37,043 downpayment, average price of $125,468, and a monthly payment of $815. For singles, amounts are shown below.

	Single, w/children	Single, less than 50	Single, older than 50	Single, unrelated adults
Average down-payment	$16,903	$ 23,902	$ 37,981	$ 32,166
Average price	75,961	115,207	166,477	150,218
Maximum monthly payment	506	708	617	859

More Than 50% Of Single Buyers Are Willing To Sacrifice Extras For A House

More than 70% of single parents with kids would sacrifice entertainment, 62.2% of parents of older kids cut back on vacations, but 37.5% of those over 50 claim no sacrifices.

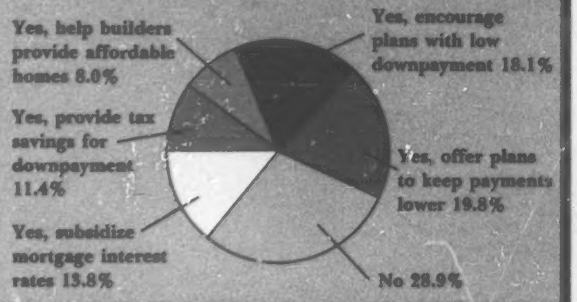
Initial sacrifices made — All singles


Cut back on entertainment 55.2%
Cut back on vacations 54.5
Cut back on eating out 54.2
Cut back on clothing purchases 44.9
Other sacrifices 30.6
No sacrifices 17.4
Need second or part-time job 12.6

Many Single Buyers Want Government Help For Lower Payments And Low Downpayment

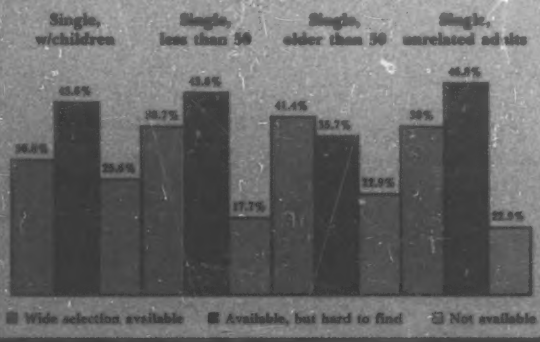
Among single buyers, 44.1% of single parents with young children want plans for lower payments. Almost 30% of single, unrelated adults want low downpayment plans.

Should government provide help for first-time buyers?


Yes, help builders provide affordable homes 8.0%
Yes, encourage plans with low downpayment 18.1%
Yes, provide tax savings for downpayment 11.4%
Yes, offer plans to keep payments lower 19.8%
Yes, subsidize mortgage interest rates 13.8%
No 28.9%

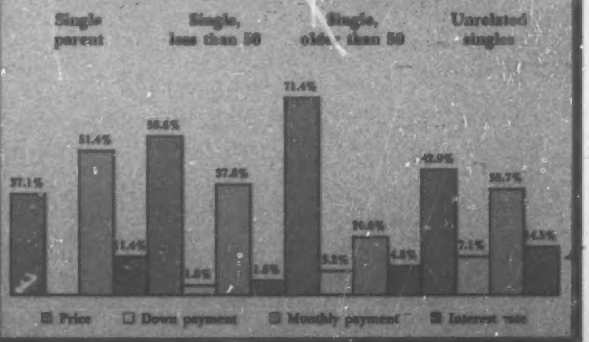
Singles Have To Look Hard To Find Affordable Housing

With the exception of older singles, most singles have a hard time finding available affordable housing. Even marrieds (48.8%) say that it is hard to find.



The Pricetag On A New House Plays A Critical Role In The Buying Decision

For most singles, the price of the house is an important influence in the buying decision. Single parents with young children are mostly concerned with monthly payments.



Singles See Attached Housing As Route To Home Ownership

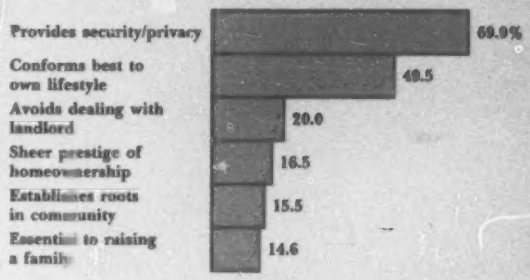
Singles are more attracted to attached housing due to less home maintenance and as the best way to buy their first home, compared to married buyers.

Reason for buying an attached home	Singles	Married
Less maintenance	66.1%	59.8%
Recreational facilities	38.6	38.6
Best way to b. / first home	27.5	19.6
Offers a sense of neighborhood	27.0	27.0
Only housing available	24.0	24.0
More house for the money	20.5	20.5
Only housing that's affordable	18.7	18.7
Increased prestige	6.4	3.8
Prefer the cluster lifestyle	4.1	4.1

Security And Privacy Motivate Singles In The Buying Decision

The need for security and privacy are influential factors in buying a home for 70% of singles, compared to 60% for married buyers.

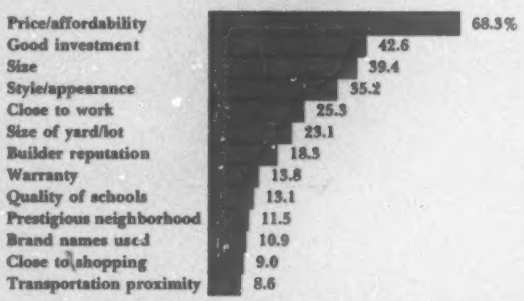
Lifestyle factors influencing buying decision



Affordability, Investment Value And Size Influence Selection Of A New Home

For singles, proximity to work, style, appearance, prestigious location and good investment value are the more important factors, compared to married couples.

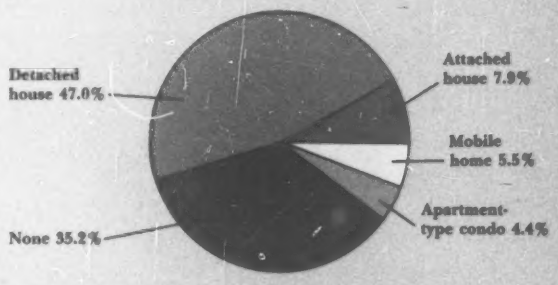
Factors (singles)



Almost 50% Of Single Buyers Have Visited A Detached Model Home

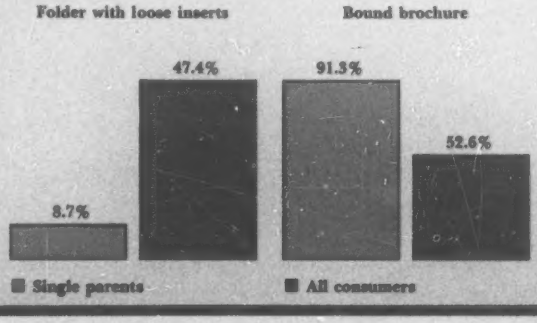
Single buyers are interested in single-family detached housing. Singles may be attracted to the conveniences of attached housing, but very few visited attached models.

Types of models visited within 6 months



Marketing To Single Parents? Bind The Brochure

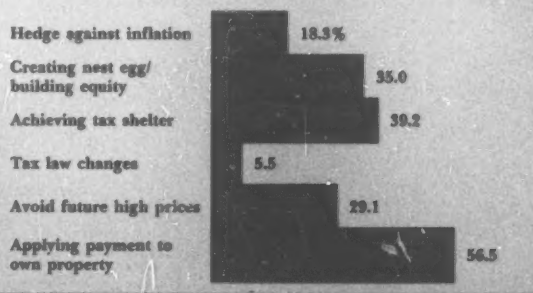
Make home shopping easier for parents by providing a bound brochure. Among singles without children and among consumers overall, buyers are split over what type of brochure they prefer.



Home Ownership, Tax Shelter Are The Two Most Important Financial Factors

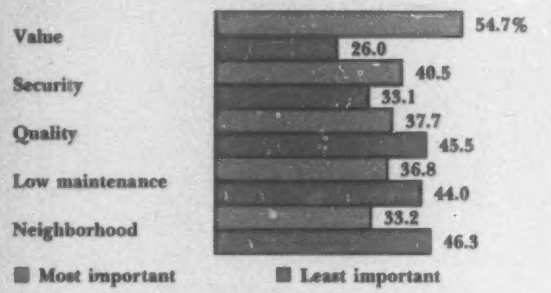
Paying off a mortgage rather than spending money on rent was the most motivating financial factor among all single buyer types. Finding relief from taxes is important too.

Financial factors influencing decision



Singles Are Looking For Value And Security In Their Next Home

Security was cited by 57.2% of parents of young children and 50% of older singles. Value was cited by 73.6% of single adults. Bars show responses from all singles.



In The Rent Versus Buy Decision, Ownership Wins Hands Down

Reasons for home ownership depend upon lifestyle. Unrelated adults living together, for example, buy for investment reasons.

Reason	Single parent	Single, less than 50	Single, older than 50	Unrelated adults
Want to own, not rent	87.2%	78.6%	91.3%	81.3%
Own for investment value	61.5	84.9	55.1	90.0
Own for tax reasons	51.3	69.1	52.2	72.5
Not dependent on landlord	43.6	36.5	37.7	30.0
Settle down/have roots	41.0	33.3	20.3	35.0
Worry about increased rents	30.8	12.7	17.4	10.0
House prices increasing	28.2	47.6	21.7	40.0
Found attractive house	23.1	26.2	23.2	32.5
Found affordable mortgage	18.0	12.7	15.9	17.5

Affordable Monthly Payments Motivate Singles To Buy A New Home Now

Singles, especially single parents, are concerned about making payments on their own. Affordable monthly payments encourage them to buy.

Reason	Single parent	Single, less than 50	Single, older than 50	Unrelated adults
Affordable monthly payments	92.1%	58.8%	43.5%	63.3%
Decreased mortgage rates	63.2	53.8	42.0	64.6
Less-costly homes available	55.3	36.1	33.3	22.8
Inherit small fortune	50.0	36.1	18.8	36.7
Tax reform	29.0	26.9	20.3	25.3
Guaranteed quality	21.1	20.2	33.3	29.1
Drastic lifestyle change	18.4	20.2	40.6	16.5

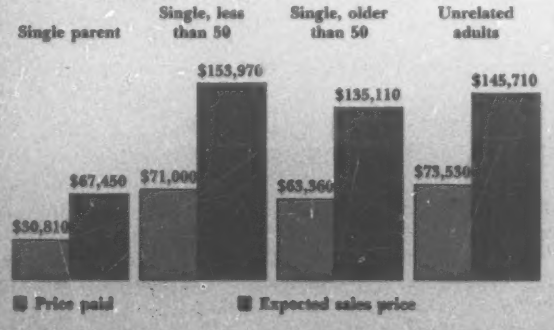
New Home Purchases Are Often Sparked By The Desire For One's First Home

With the exception of older singles, the majority of singles are buying a home for the first time, compared to only 25% of buyers who are not single.

Motivation	Single parent	Single, less than 50	Single, older than 50	Unrelated adults
Buying home for first time	52.6%	43.8%	4.8%	46.8%
Moving up again/more space	15.8	21.5	14.3	13.0
Moving up from first home	10.5	12.4	4.8	11.7
Job or marital changes	7.9	12.4	9.5	16.9
Kids gone/need smaller home	7.9	5.8	22.2	3.9
Buying home for retirement	5.3	4.1	44.4	7.8

Single Buyers Expect Significant Gains When Selling Present House

Single homeowners anticipate substantial increases in value when they sell. Married buyers paid an average $75,620 for their home and expect to sell it for $129,460.



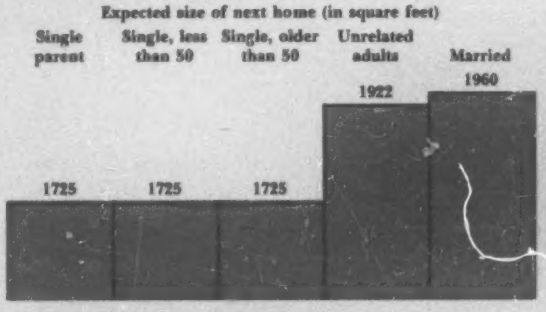
Singles Search For Homes In Newspaper Ads And With Real Estate Brokers

Single buyers rely on newspaper or classified ads and on real estate brokers more than any other sources. Referrals from friends influence a significant percentage.

Sources	Single parent	Single, less than 50	Single, older than 50	Unrelated adults
Newspaper/classified ads	71.1%	61.5%	44.1%	60.0%
Real estate broker	50.0	68.9	70.6	75.0
Billboards/for-sale signs	29.0	21.3	16.2	26.3
Advice from friends	29.0	21.3	35.3	13.8
Parade of homes	13.2	12.3	11.8	12.5
Radio, TV, direct mail	5.3	5.7	11.8	12.6

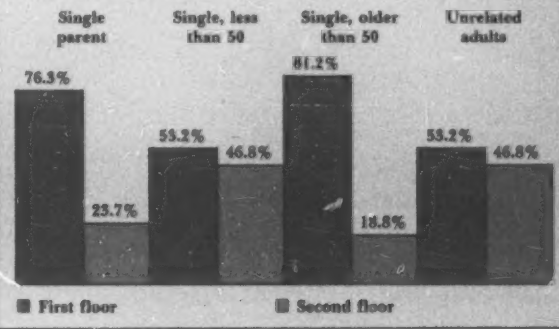
Singles Buyers Expect To Buy A New Home With 1725 Square Feet

Most singles expect their next home to be 1725 square feet. Single adults expect a larger home. Married buyers want an average of 1960 square feet.



Locate The Master Bedroom On The First Floor, Most Singles Say

The majority of single buyers prefer first-floor master bedrooms, particularly single parents with young children and older singles.



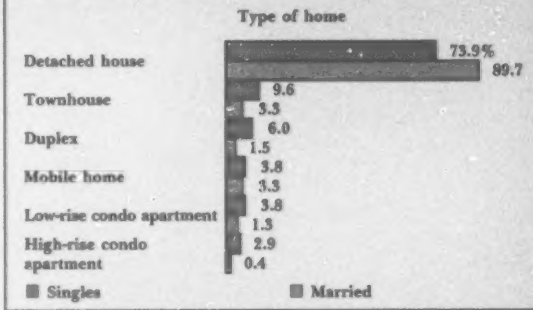
Singles Want Functional Housing That Lives With Style

Singles rated the following design elements on a basis of desirability in their price and size range. Singles prefer home entertainment centers, full-time office space and interior lofts more than other buyers.

Design element	Most desirable	Least desirable
Linen closet	83.1%	5.7%
Garage storage space	76.9	9.8
Pantry	75.1	11.3
Patio	73.4	10.4
Two closets in master suite	66.7	15.1
Family entertainment space	66.0	9.8
Multipurpose room	64.8	10.4
Porch	63.8	16.7
Covered entries	63.3	17.3
Oversized master bath	52.5	24.6
Part-time home office/ hobby room	44.9	27.7
Home entertainment center	44.6	33.4
Built-in furniture	43.4	33.1
Cathedral vaulted-type ceilings	42.5	36.7
Raised flat ceilings	40.9	24.5
Sun room or greenhouse	38.6	40.7
Formal entertaining space	37.8	31.4
Space for full-time home office	37.1	39.8
Garden bathroom	27.6	51.5
Interior lofts and balconies	27.1	49.3
Dramatic window treatments	26.0	42.8
Home fitness center	24.7	51.9
Private living space for individual	24.6	62.3
Interior plant shelves/niches	23.7	47.4

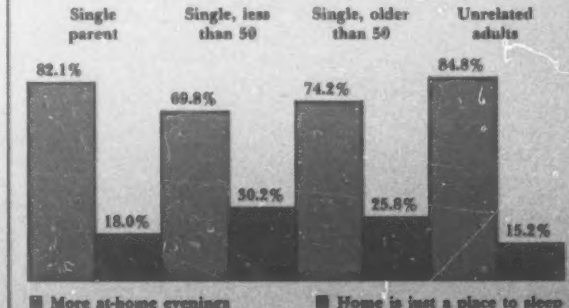
Singles Overwhelmingly Want A Single-Family Detached Home

Like the majority of other buyers, singles prefer to own a single-family detached house; 15% of older singles and 10% of parents without children at home would prefer buying a townhome.



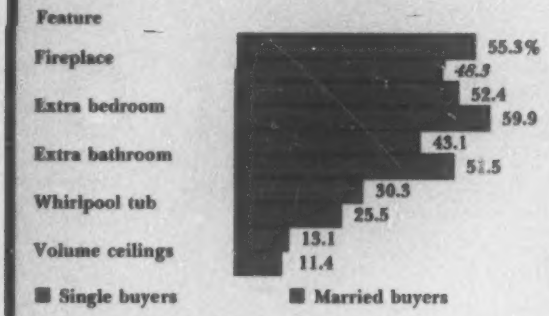
They Shed The Image Of The 'Swinging Single' By Preferring To Stay At Home

In designing for single buyers, builders should note that, surprisingly, singles are spending time and entertaining at home. Designs need to respond.



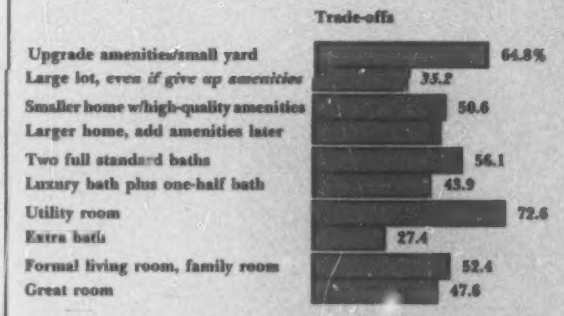
Single Buyers Would Choose Glamour And More Room

If singles could choose only 2 of the following features, more than 50% would select a fireplace and an extra bedroom.



When Trade-Offs Are Necessary, Most Singles Want Amenities, Not Size

Singles prefer high-quality space with upgraded features in a smaller home. But marrieds would take a larger house and add glamour later.



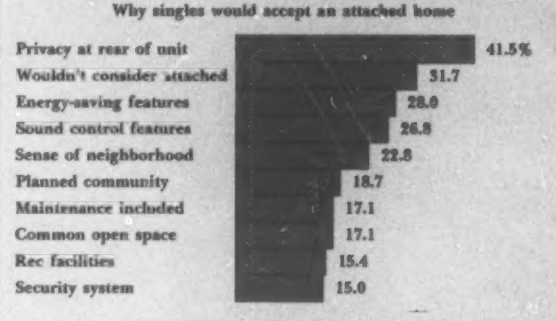
Architectural Preferences Vary Among Demographic Submarkets

Single parents with young children and older singles prefer traditional architecture. Older singles and unrelated adults prefer contemporary.

Style	Single parent	Single, less than 50	Single, older than 50	Unrelated adults
Traditional	36.1%	28.7%	39.7%	25.0%
Contemporary	30.6	36.1	30.9	41.3
Colonial	11.1	11.5	16.2	8.8
Spanish	8.3	6.6	0.0	5.0
Victorian	5.6	4.9	5.9	7.5
Tudor	5.6	5.7	2.9	2.5
Other	2.8	6.6	4.4	10.0

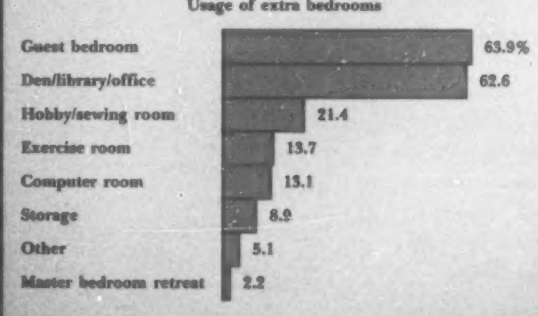
Privacy Is A Key Factor In Making Singles Interested In Attached Housing

More than 65% of singles would consider buying an attached home, compared to only 43.7% of married buyers. But singles want privacy.



Extra Bedrooms Add Needed Space For Guests Or Personal Activities

In merchandising secondary bedrooms, builders should target what singles are looking for. Compared to 48.7% of married buyers, 62.6% of singles want a den.



Survey Highlights

- More than 50% of all singles prefer a brick exterior on their new home.
- The majority of singles in all lifestages prefer 2 bathrooms and want 3 bedrooms in the next house they purchase.
- More than 50% of all singles seek a commute to work less than 30 minutes. Almost 66% of older singles would travel no more than 30 minutes. Close-in suburbs are the preferred location for most.
- If singles could design their own homes, they would enlarge the family room, meal preparation area, closets in the master suite, and add a home office or hobby room.
- About 50% of all single buyers want a formal dining room and 44.9% want to have room for a table in the kitchen for informal meals.

SINGLES

Singles Want Easy Maintenance, Storage And Convenience In Kitchens And Baths

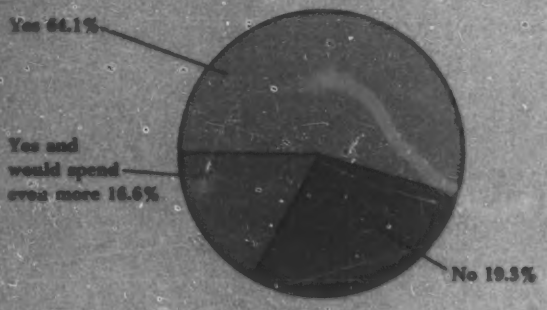
They are more apt to want a medicine cabinet, single-bowl vanity and tile walls in the bath. In the kitchen, more singles want a refrigerator included.

Bathroom features	
Medicine cabinet	92.1%
Exhaust fan	83.2
Linen storage cabinet	77.5
Tub/shower door	66.7
Ceramic tile floors	56.8
Ceramic tile walls	54.9
Vanity with 1 bowl	53.1
Safety features	40.9
Bathroom heater	39.4
Colored fixtures	31.4
Vanity with 2 bowls	30.5
White fixtures	27.6
Dressing area	24.4
Ceramic tile vanities	21.3
Mirrored wall	20.9
Skylight	14.9
Compartmentalized bath	14.3
Whirlpool	11.7
Bidet	4.4
Sauna	3.8
Kitchen features	
Range/oven	87.6%
Dishwasher	77.8
Refrigerator	67.6
Vinyl floor covering	67.0
Self-cleaning oven	65.4
Garbage disposal	62.8
Pantry	62.2
Stainless steel sink	59.7
2 sinks	55.2
Single-handle faucet	51.1
Fluorescent ceiling lighting	47.6
Laminated plastic countertop	43.8
Microwave oven	39.4
2-handle faucet	36.1
Ceramic tile countertop	32.7
Enamel/porcelain sink	30.1
Ceramic tile floors	22.8
Trash compactor	20.9
Ceramic tile walls	13.3
Carpeted floor	7.3

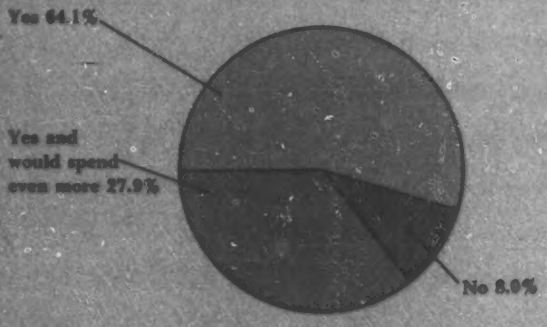
Single Buyers Will Pay More Now To Save Later On Maintenance And Energy Costs

Most singles would spend at least $1000 extra on low-maintenance materials to save $200 annually. And most would spend an extra $500 to save $100 yearly on energy costs.

Low-maintenance features



Energy-saving features



Survey Highlights

- About 65% of singles would be encouraged to visit model homes if a pricing discount were offered on the homes.
- The most important elements in a real estate advertisement are: price of house, floor plan, photo of house and description of the model.
- In all, 44.5% of singles say their present home is too small, 30.4% dislike the location and 27.9% state that job or family needs have changed, motivating them to buy a new home.
- Among single parents with young children, 55.5% say that interior merchandising helps them visualize living in a house. About 65% of single adults say that unfurnished or partially furnished models are sufficient.
- An open floor plan and the kitchen are most likely to influence their impression of the entire house.
- Of those singles who previously lived in single-family detached houses, at least 65% owned their home, rather than rented. Of those who lived in attached units, older singles tended to own the units. Most other singles rented attached housing.
- Among older singles, 46.5% said they would be willing to pay a monthly fee for yard maintenance and almost 65% would pay or would consider paying a monthly fee for exterior home care.

Security And Energy Management Are Most Desired Intelligent-House Features

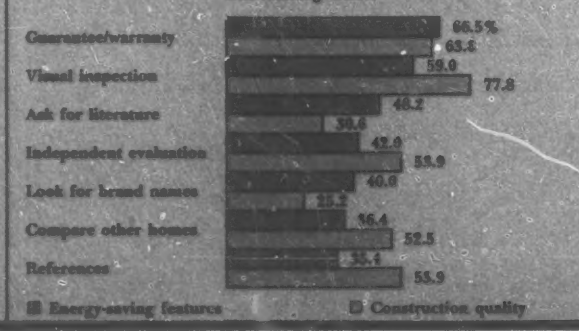
Singles are interested in features that make their next homes safer and more efficient. And they are more apt to want intelligent features than marrieds.

'Intelligent house' features	Want	Price range
Security/safety	73.7%	$914-$1253
Energy management	71.9	892-1200
Entertainment	56.3	716-1073
Communications	43.1	465-919
Service/data	21.2	371-610

Most Singles Want Builder Credibility Claims In Writing

In regards to energy-saving features and construction quality, singles mostly rely on guarantees and visual inspection to assure a builder's claims.

Determining claims



The One Way To Success In The '90s: Diversify Your Activities

By David E. Link
Vice President,
Publisher

There is no doubt about it—diversification will be THE spice that provides full flavored success for builders as the final decade of the 20th century unfolds.

The latest report of the building activities of the 125,000 builder-readers of this magazine shows the strength of this diversification trend.

As the chart shows, the level of diversification has increased dramatically since 1970.

In 1970, builders said they were involved in 1.1 types of building activity. In effect 20 years ago, most builders specialized in one type of building activity—be it single-family housing, custom housing, multifamily housing, non-residential, manufactured housing or remodeling.

By 1980, the rate of diversification had nearly doubled to 2.0 types of activity, then to 2.4 in 1985. And at the end of 1988 it stood at 2.72. And there is every indication that the rate of diversification will continue to climb in the 1990s.

Single-family home building remains the single largest area of activity by builders. About 94,000—about 3 out of 4 of PB's active builders—said they were active or planned activity in single-family construction at the end of 1988.

Of these 94,000 builders, 6500 said they build single-family housing only. But nearly 57,000—or about 60 percent—said they were involved in some type of major remodeling. And nearly 50,000—or about 40 percent—reported activity in custom houses costing $250,000 or more. About 25,000 said they were also involved in either multifamily housing or non-residential construction.

Overall, builders of single-family houses said they were involved in an average of four types of building activity. Obviously, single-family home builders today are not stuck in a rut. They are willing to go where there is an opportunity to make a profit.

So are the builders involved in multifamily housing. They also reported a diversification rate of four types of activity. Among the 52,000 builders reporting multifamily activity, some 25,000—or about 48 percent—were also involved in single-family construction. A close second, with 42 percent activity, was major remodeling. Custom housing ranked third at 37 percent. Only 6 percent said they were involved exclusively in multifamily construction.

Of the 57,000 builders reporting activity in custom housing costing more than $250,000, virtually none told us they were involved exclusively in that type of activity. These builders undertake 3.2 activities. Some 88 percent also build lower-priced single-family housing. A sizeable 70 percent were involved in major remodeling. And one out of three were also involved in multifamily or non-residential construction.

The diversification among nonres builders was reported at a rate of 3.5 types of activity. Among remodelers, the rate was 2.9. And home manufacturers, as might be expected, reported the lowest rate of diversification—two.

In short, the figures tell the story. Diversified building activity is, and promises to be, the way of business for today's successful builders. □